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Plainwell Paper to close; lay off 300

PLAINWELL - Plainwell Paper Company will close and lay off 300 employees, the company announced Thursday. The company said the workers would be out of a job by Monday.

Plainwell Paper is the community's largest employer. It produces mainly labels and high-gloss paper.

A company spokeswoman said a series of factors forced the closure the plant. "We had very weak prices and we were not



able to raise prices because there is a lot of overcapacity in this market," said Ann Stilp. "On the other side of the coin, we have high material costs. We have the highest fuel and paper cost that we have seen in the last 10 years. It was a combination of those two things."

Plainwell Paper has existed for 114 years under various owners. The company said it is trying to find potential buyers and working on severance and benefit packages for its employees.

Tough times for paper industry

PLAINWELL - Plainwell Paper is the latest West Michigan paper plant to close as the industry struggles through a tough period.

Crown Vantage announced in August it would close its Parchment plant and lay off 250 workers. The company was going through bankruptcy. It's had money problems from the start, taking on millions in debt when it spun off from James River five years ago.

Also, the Mead plant in Kalamazoo closed its doors putting almost 200 people out of work. Company officials said they were overlapping work in the Midwest and decided to transfer operations to facilities in Missouri and Pennsylvania.

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